

WITNESS: JACQUELINE MCDONALD

STATEMENT NUMBER: WITN0164\_01

EXHIBITS: 0

DATED: Jan 14, 2022

**POST OFFICE HORIZON IT INQUIRY**

**FIRST WRITTEN STATEMENT OF MRS JACQUELINE MCDONALD**

THIS STATEMENT IS PROVIDED IN RESPONSE TO THE RULE 9 REQUEST OF  
THE PUBLIC INQUIRY DATED 29/10/2021 TO ADDRESS THE HUMAN IMPACT OF  
THE FAILINGS OF THE HORIZON IT SYSTEM

I, MRS JACQUELINE MCDONALD, Date of Birth: , of

will say as follows:-

**PERSONAL BACKGROUND**

1. I was born and brought up in Preston in England, but then lived in America for 21 years. I was employed for most of that time as a Nursery Nurse at the British Embassy, but subsequently ran a gym and a farm with my husband, who I met in America. My husband, , is a  who worked for the Military and the Presidential Guard. We went to England to get married so that my family could all be there, which was very important to me. We had a nice wedding in

- England in December 1985, and then went back to continue living and working in America.
2. We had three children, two boys and a girl. **GRO** served in the Gulf War whilst our two boys were young. After that, he had a good job working for Tyson Foods in America.
  3. I eventually moved back to England with my family in 2005, which was due to my eldest son needing to have treatment for **GRO**. Upon returning to England, I got a job at British Aerospace on an assembly line before becoming a Sub-Postmistress in 2007.
  4. Tragically, our daughter **GRO** passed away in November 2011 from **GRO**.
  5. **GRO** is the youngest of our two boys and, following graduating in England with a degree in Agriculture, he took out a loan in his name in 2012 to purchase a farm in America for us all to run as a family business. He was only 22 years old at the time. **GRO** moved back to America in 2012 to start running the farm, but I was not allowed back into the country at that time.
  6. I moved back to America in 2013 and have not been back to England since 2018 as I find it quite traumatic due to everything that happened involving the Post Office since 2008, and because I am always pulled aside by officials upon re-entering America, taken to an interrogation room, and questioned about my conviction. There is always a risk they will not allow me back into the country.
  7. My parents and close family still live in Preston and, sadly, we are no longer close following my conviction.
  8. I am now 57 years of age and live with my husband and our son, **GRO** in America, where we still run the farm. **GRO** now and married with two

children, but we still all live together in the same house on the farm. Our older son lives 6 miles from where we live, and has three kids who we see regularly.

### **POST OFFICE HISTORY**

9. I started as Sub-Postmistress of Broughton Post Office on 7 December 2006.
10. We lived in a flat above the post office initially and we then expanded and refurbished the business in 2007.

### **CRIMINAL ALLEGATIONS AND ANY PROCEEDINGS/CONVICTION**

11. As a result of our expansion, we had a second Horizon system installed. This is when our problems started. It was confusing when shortfalls started increasing. I started up the second Horizon system and it showed a shortfall in foreign currency of 2000 Euros. This was never resolved, and I was made by my Manager to pay the shortfall.
12. The foreign currency on Horizon was never right since then. I asked my Manager for further training, but she refused. This was very infuriating. When I contacted the helpline, I found it to be unhelpful, as they could help with minor queries but not shortfalls. The staff did not seem to know what they were doing. I would sometimes telephone up to five times a week in relation to shortfalls. The usual response was that "it will work itself out". It never did, and I felt very alone in experiencing these problems. I always told my Manager when I saw her that my balancing hadn't worked.
13. I was aware I was expected to pay for shortfalls in the Post Office, but I found I was increasingly experiencing more and higher shortfalls, to the point where

- we could no longer afford to pay them. I felt under pressure from the Post Office to keep the branch open.
14. At the end of September 2008, Horizon was showing that I had an excess cash amount of £50,000. I was unaware of this until 1<sup>st</sup> October 2008, when my Manager came into my office and told me that I should have had a notice that she needed to collect this sum from me. I then saw a message which she showed me on a screen I had never been aware of before. I was completely confused by this.
15. My Manager called the Auditors, who came within two hours. I was immediately suspended. The Auditors closed the Post Office and took away the keys. They put a sign on the Post Office door saying "Closed for Auditing Purposes". They told me they would figure out what was going on. I was relieved at first and thought they would help, but then the mood quickly changed. The Post Office's investigator attended my home on the second day of the Auditor's visit. He searched our property. They went into my bedroom and went through all my drawers.
16. I attended an interview with the Post Office during October 2008. I took my friend who also ran a Post Office with me. I raised the issues I had been having with Horizon at the interview. I was scared and I indicated that I would take a loan out to pay for the shortfall. After a further meeting in November 2008, my contract was terminated a month later. I was devastated. Following this, proceeds of crime proceedings were issued, which I believe was in early 2009.
17. The Post Office appointed a relief Sub-Postmaster. My assistant, Katie, was appointed as the manager. After the relief Sub-Postmaster took over, the shortfalls continued. My assistant was informed she would have to make good



any shortfalls. She was signed off sick with anxiety and depression, as she could not afford to pay the shortfalls. She told me that she considered suicide. I felt so upset this had happened. The relief Sub-Postmaster even resigned from his position. As a result, the Post Office closed.

18. The first time I became aware that there would be criminal proceedings against me was when I got a telephone call from the local Police Constable, John, who was at the Police Station directly across from my shop. He said "Jackie, I've had a letter from the Post Office and they want me to come across and arrest you". John knew me well as he used to come into the shop every day, and he was very kind to me. He asked me to go over to the Police Station for a cup of coffee and discuss what had been going on. He could not believe it when I told him everything. He never officially arrested me, but took me for fingerprinting and did not allow any of the other officers to handcuff me or put me in a locked cell.

19. I initially attended the Magistrates Court where I pleaded not guilty. However, on the advice of my Barrister, I subsequently pleaded "guilty without admission" at the Crown Court, in an attempt to avoid a custodial sentence. I was advised that I was looking at 4 years imprisonment if I did not plead guilty, and I felt that I could not risk being away from my family for that long. Despite my plea, I was still sentenced to 18 months imprisonment.

20. The Post Office also pursued a Proceeds of Crime Act application against me.

## **THE HUMAN IMPACT**

21. The human impact which the failings of the Horizon IT System have had and continue to have upon me and my family are set out in the remainder of this

statement. The section headings follow the particular questions posed by the Inquiry.

**WHAT WERE THE CONSEQUENCES OF BEING REQUIRED TO MAKE GOOD APPARENT SHORTFALLS SHOWN BY THE HORIZON IT SYSTEM?**

22. Following the audit in 2018, I was asked to repay £93,947.93.
23. Although I did pay numerous shortfalls showing on the Horizon system prior to that between 2006 and 2008, I was unable to pay the £93,947.93. I did ask my parents and sister to lend me the money but they were not willing to do so.
24. I immediately lost my income from the Post Office upon being suspended, but kept the shop running until 2009. My husband and three children all worked in the shop so we lost our livelihood when that eventually closed. I had to declare myself bankrupt, as did my husband. As a result, we were blacklisted for credit and eventually had to rely on our son **GRO** to take out a loan to start a new family business in America.

**WHAT WERE THE COSTS OF MAKING GOOD ALLEGED SHORTFALLS SHOWN BY HORIZON?**

25. Before the refurbishment at our branch was completed in October 2007, I would experience small shortfalls which I would pay.
26. As previously stated, when the new Horizon System was installed, there was an alleged shortfall of foreign currency which amounted to 2000 Euros. I continued to pay shortfalls but as they became more frequent and increased in amount, I found myself unable to do so. When i was asked to repay £93,947.93 following the audit, I was forced into bankruptcy.

27. The Post Office pursued a Proceeds of Crime Act application against me. Due to bankruptcy, I had to pay £1 to settle the debt. I lost my car during this process.

**HOW WERE YOU AFFECTED WHEN ALLEGED TO BE RESPONSIBLE FOR SHORTFALLS OR DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?**

28. At first I felt relieved when the Auditors came and I was hopeful that they would be able to sort out my shortfalls. The Auditors were at the Post Office for two days. They said to me "What have you done with the money?", "What tree have you squirrelled it away in?". I kept saying to them "You don't understand: there is not any money missing.", but they said I was missing foreign currency and stamps.

29. I could not believe it, but I still thought they would get to the bottom of it eventually as I knew I had done nothing wrong. The figures were so ridiculous and I thought they would find the reason for it and it would all be sorted out.

30. They then told me that a total shortfall of £93,000 had been identified. I couldn't believe the amount of the shortfall. I still thought even then that the Post Office would investigate, find the error in the system, and reinstate me.

31. When our property was searched, it was horrible. I felt really shocked by this. I overheard the Auditors saying "Is she cooperating? Is she answering questions?". I went up to them and said I was more than happy to answer any questions they had, as I had nothing to hide.

32. After the relief Sub-Postmaster was appointed and I was in Court in 2009, I felt very embarrassed once the customers found out what was happening.

33. I knew it was serious when I was told I was terminated. At first it had sounded like I was going to be reinstated in a couple of weeks.

34. I feel that my health was probably affected at that stage because I was not sleeping, I was unable to eat, and I felt depressed and constantly nervous about what was happening.

**WHAT WERE THE CONSEQUENCES OF BEING HELD RESPONSIBLE FOR SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?**

35. I was convicted of theft and false accounting.

36. I lost my income from the Post Office as soon as I was suspended and then our income stopped completely when we closed the shop, which we kept open until August 2009. My husband had worked full time in the shop until then.

**WHAT EFFECT DID IT HAVE TO BE ACCUSED OF COMMITTING CRIMINAL OFFENCES AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?**

37. It was a very stressful period, especially as I became aware I was facing a prison sentence of around 4 years if I could not repay the money. I wanted to instruct a forensic accountant to prove my innocence, but I was unable to afford the fees for this.

38. Whilst waiting for my case to go to the Crown Court, I experienced severe stress, anger, and problems sleeping. I felt as though everything my husband and I had worked so hard to achieve over the years was being lost.

39. During the time of the proceedings, I started to learn of other Sub-Postmasters who were having issues, and I could not understand why the investigator had told me I was the only one who was having problems with Horizon. It was such a stressful time prior to my court appearance. I got very worked up about the



- prospect of going to prison. It was the anxiety of not knowing what was going to happen to me.
40. In between my first hearing and sentencing, it was our wedding anniversary. We went to London but I felt I could not enjoy it, so we returned early. I felt like I did not want to do anything nice. I was unable to believe it was happening.
41. I was very scared during the criminal proceedings about what was going to happen to me and whether I would go to Prison. I was terrified about this. The Post Office just seemed focused on getting a conviction and did not agree to a forensic accountant being instructed. I attended a trial of another Sub-Postmistress and she had pleaded not guilty. She was found guilty and sentenced to imprisonment. I was deeply disturbed by this experience and decided I wanted the whole experience over and done with, so I pleaded guilty to theft and false accounting without any admission.
42. I would say that the whole situation significantly impacted my mental health, and I did even consider suicide at one stage. I was prescribed medication by my GP. I am better than I was but I feel I have still not fully recovered and find it very difficult to talk about the situation. I still feel as though I am living in limbo. I want the case to be finalised so we can start to enjoy our lives.
43. I have been diagnosed as having suffered with an adjustment disorder in the form of mixed anxiety and depression prior to sentencing. I have been told there is evidence that the ongoing proceedings have caused some low-grade anxiety. It has been recommended that I undergo treatment in the form of Cognitive Behavioural Therapy, which I have been undertaking.
44. The majority of the media coverage happened after I was convicted, but a photograph of me was taken on the way out of the Magistrate's Court. This is

how all the adverse publicity started and it escalated from there. My son, **GRO** went out and bought all the papers with headlines about me and threw them in the trash.

**WHAT WERE THE CONSEQUENCES OF BEING CONVICTED OF A CRIMINAL OFFENCE AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?**

45. After my contract was terminated, I realised I was in no position to pay the shortfall and I declared myself bankrupt. It was so upsetting. The Trustee in Bankruptcy took over the Shop but not our flat as there was no equity in it.
46. The Post Office started Proceeds of Crime Act proceedings to recover the shortfall. The Post Office took my car away and I never saw it again. After a second hearing, the Post Office agreed that I could pay off my debt to them for £1 as I was bankrupt. It was so humiliating, I had to take a £1 coin to my solicitor who then sent it to the Post Office to pay the debt.
47. In January 2011, I was sentenced to 18 months imprisonment. I was so shocked and couldn't believe it. The Judge told me I had breached the community's and the Post Office's trust.
48. This was very upsetting knowing I had done nothing wrong. I didn't even take anything with me as I was not told to pack a bag before attending Court. I was taken to Styal Prison in Manchester. The prison van had what were like kennels inside. It was an open prison and I stayed there for 21 days.
49. Once the door was locked, I burst into tears and sobbed. Being taken away from my family was the worst form of punishment. I never felt so lonely in my

- life. I had no idea what to expect the next day. I was terrified as I was not used to fights. I tried to be brave, but I was petrified.
50. I tried to keep myself busy and tried to find a job. I felt I had to be strong for my husband and children. I was transferred to Durham for a few days in March 2011, and then Askham Grange which was also an open prison, where I stayed until June 2011. I tried to find work in the garden and keep myself busy. I just focused on getting through it. I was one of the oldest people in the prison and the other prisoners wanted to know why I was there.
51. It was extremely distressing. It was awful. There were a lot of young people who were in Prison as a result of drug offences, and I was there knowing I had not done anything wrong.
52. When I was then transferred to Durham prison for a few nights, this was very hard for me as it coincided with my daughter's 18th birthday and I was unable to even telephone her to say happy birthday.
53. I had to go back to Styal Prison again for a few nights when I attended my proceeds of crime hearing in Preston. This was very difficult for me as I was locked in a cell and the Officers were horrible to me. I lost a lot of weight over that weekend. I was in there with violent offenders and I saw fights.
54. I was in prison for four and a half months. I then spent another four and a half months on curfew with a tag. I was then on Probation for the following nine months.
55. I had a difficulty when we decided to go back to America. My Green Card expired so I had to apply for another, and I was shocked to find out my application was initially refused because of my conviction. The US Embassy

allowed my second application but only if I travelled to America within a week.

I packed up and then travelled as quickly as I could.

56. The situation has impacted me in a financial way. I would have continued to run the Post Office until retirement. My children would have taken over the business, and we would have purchased another business. Our plans were destroyed.

**WHAT WERE YOUR FINANCIAL LOSSES CAUSED BY ACTION TAKEN AGAINST YOU IN RELIANCE UPON HORIZON DATA?**

57. I lost my income from the Post Office as a result of my suspension. My husband and three children also worked in the shop and consequently lost their income.

58. Due to bankruptcy, my husband and I were unable to obtain credit. As a consequence, my son had to take out a loan to enable us to have a family business in the USA.

**WHAT EFFECT DID THESE ISSUES HAVE UPON YOUR RELATIONSHIPS WITH YOUR FAMILY, FRIENDS, COLLEAGUES AND LOCAL COMMUNITY?**

59. My husband had a very tough year after we decided to close the shop. He had to file for bankruptcy as well. When we closed the shop, we didn't take any of the stock. It just got to a point where I was sick of dealing with it.

60. I felt like everyone in Preston and Lancashire knew. I wanted to stay at home all the time and not see anyone. I stayed in bed longer, which I had not previously done. I didn't want to go outside when my husband suggested we go for a walk. My husband did the shopping, I went with him but I spent my time worrying about seeing someone I knew. This was hard on my husband, and it



- reached a stage where he had had enough and was almost ready to fly back to the States without me.
61. My husband came to all of the Post Office interviews with me, with the exception of the first one which he was not allowed to attend. The interviewees did not seem to care about our circumstances or want to listen to what I had to say.
62. The issues have placed significant strain on my family. We eventually felt compelled to move our lives to America because of the situation with the Post Office. I feel that my husband bore the brunt of my anxious state. I worried about my husband's stress. We didn't talk to the children about what was happening. Once I was sentenced, my daughter and my husband suffered.
63. My daughter, **GRO** turned 18 while I was in prison and I was absolutely heartbroken that I couldn't telephone her to wish her a happy birthday.
64. My first grandchild was born whilst I was in prison and he has asked me if I was there at the hospital after he was born. I had to say that I wasn't there, but I will never tell him why.
65. My son, **GRO** turned 21 the day before I came out of prison.
66. I feel that going to prison robbed me and my family of so many special moments that should have been happy family occasions.
67. When I came out of prison on probation, I was so relieved to get it over with, but I still had to wear an electronic tag.
68. When my daughter died, I didn't tell my Probation Officer. I was so upset that I missed out on her last birthday and on spending precious time with her. I feel my grieving process for **GRO** was affected by all the ongoing legal issues, which are still ongoing to this day. I didn't have an 'obituary' written because I was too embarrassed about my situation; my daughter should have had one

and upon reflection I am really sorry that I didn't have one for her, all due to my situation.

69. I have not told anyone in America about my history. I don't want to be judged as I was in England.

70. I don't talk to anybody else except my husband and my son.

71. My relationship with my mum, dad and sister has never been the same and is now very strained. When the Post Office asked me to pay the shortfall, my parents or sister could have easily written me a cheque but they declined to do so despite knowing that this could mean that I went to prison. Things are awkward between us now and they occasionally text me, but hardly ever telephone. They have never apologised to me. My dad, who is now 80, does not know how to talk to me about it. He did send me a text to say he had heard the good news and was glad my conviction had been overturned. He hasn't asked me anything about it.

72. I am still in bankruptcy. My husband came out of bankruptcy last year

73. I lost my reputation in the area where we lived. There were newspaper articles which reported on the criminal proceedings and conviction. There were front page headlines in the Lancashire Evening Post.

**PLEASE DESCRIBE THE DIRECT AND INDIRECT EFFECT WHICH THESE ISSUES HAD UPON THE MEMBERS OF YOUR FAMILY?**

74. I think overall it was harder on my family than me as they were left to deal with everything whilst I was in prison.

75. My husband and children all suffered embarrassment and stress when I was accused and then sent to prison. My daughter dropped out of college after a

teacher pulled her aside and said she had heard her mum was in prison; my husband agreed she didn't need to go back to face questions like that. It was an incredibly difficult and traumatic time for the whole family.

76. Whilst I was in prison, my husband and son went to the pub for a drink. Everyone stopped and stared at them and they felt that they should leave.

77. My son GRO took on a huge burden at a young age in taking on the loan for the farm in his name. My husband and I would have helped him more financially at that time had it not been for everything that happened

78. I honestly don't know if my family will ever be the same again; I know I certainly won't be.

## **CONCLUDING REMARKS**

79. The biggest effect upon me of what happened is that it has taken my confidence away. I have always been confident in what I do and what I believe, but I have become isolated and withdrawn because of what happened. I still feel ashamed because I don't tell anyone about it, and so I always feel like I have a guilty secret.

80. I have never suffered from anxiety or depression before working for the Post Office but what happened changed me. I have a passport photo which was taken in 2017 and I looked so stressed.

81. Wearing the electronic tag on my ankle for a significant length of time has left a lasting impact on me, as I always feel I need to be home before 8pm and become anxious when it gets near that time. I still have problems sleeping and keep waking up during the night.

82. I have been talking with a psychologist which has really helped and have just signed up for another 20 sessions, which she told me is mainly needed because of my isolation due to the accusations and criminal proceedings.
83. I only recently asked my son to tell my daughter-in-law who lives with us because I didn't want to have to feel I was hiding something from her. She is the only person in America who knows what happened and I will never tell anyone else.
84. I still feel really angry some days about what happened, but luckily I don't see any of the English media that is coming out now which I am glad about, as I would like to try to put it behind me.
85. The thought of going back to England makes me feel sick because every time I have come back to the States I have been taken into an interrogation room because my conviction is attached to my passport.
86. The impact on my family has been huge, and I am conscious that my involvement with the Post Office caused the people I love to suffer.



**Statement Of Truth**

I believe that the facts stated in this witness statement are true.

Signed:

**GRO**

Print Full

Date of signature: Jan 14, 2022

Name: JACQUELINE MCDONALD

FILE REFERENCE

**GRO**

